

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.

AUDITED FINANCIAL REPORT

December 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 17 2014

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INDEPENDENT AUDITOR'S REPORT **SOCIETY OF LOUISIANA**
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Gretna Economic Development Assn., Ltd.
Gretna, Louisiana

We have audited the accompanying financial statements of Gretna Economic Development Assn., Ltd. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gretna Economic Development Assn., Ltd. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014 on our consideration of Gretna Economic Development Assn., Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gretna Economic Development Assn., Ltd.'s internal control over financial reporting and compliance.



Harvey, Louisiana
June 18, 2014

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

	<u>2013</u>
Current Assets	
Cash	\$233,760
Accounts Receivable	<u>43,450</u>
Total Current Assets	<u>277,210</u>
Property and Equipment	
Furniture and Fixtures	9,086
Equipment	<u>1,633</u>
	10,719
Less: Accumulated Depreciation	<u>(10,616)</u>
Net Property and Equipment	<u>103</u>
TOTAL ASSETS	<u>\$277,313</u>

The accompanying notes are an integral part of these financial statements.

GREYNA ECONOMIC DEVELOPMENT ASSN., LTD.
STATEMENT OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2013

LIABILITIES AND NET ASSETS

	<u>2013</u>
Current Liabilities	
Accounts Payable	\$ 59,917
Corporate Taxes Payable	29,348
Payroll Taxes Payable	4,911
Other Current Liabilities	<u>4,721</u>
Total Current Liabilities	<u>98,897</u>
Net Assets	
Unrestricted	<u>178,416</u>
Total Net Assets	<u>178,416</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>277,313</u>

The accompanying notes are an integral part of these financial statements.

GRETNА ECONOMIC DEVELOPMENT ASSN., LTD.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013

UNRESTRICTED NET ASSETS

	<u>2013</u>
Support:	
Festival	\$ 1,343,338
Grant Income	628,902
Dues	3,175
Farmer's Market	15,730
Art Walk	4,720
Special Projects	800
Bingo – GBP	1,511,293
Interest & Dividends	2,839
Donations, etc.	<u>3,386</u>
TOTAL SUPPORT	<u>3,514,183</u>
Expenses	
Program Services	3,556,689
Supporting Services	<u>306,922</u>
TOTAL EXPENSES	<u>3,863,611</u>
INCREASE(DECREASE) IN UNRESTRICTED NET ASSETS:	<u>(349,428)</u>
 Unrestricted Net Assets, Beginning of Year	 <u>527,844</u>
Unrestricted Net Assets, End of Year	\$ <u>178,416</u>

The accompanying notes are an integral part of these financial statements.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>
Program Services	
Festival	\$ 2,115,369
Farmer's Market	13,131
Art Walk	1,887
Donations	39,648
Special Projects	6,820
Bingo	<u>1,379,834</u>
TOTAL PROGRAM SERVICES	<u>3,556,689</u>
 Supporting Services	
Salaries & Wages	73,936
Payroll Taxes	7,099
Advertising	17,483
Accounting & Tax Prep	34,143
Bank & Credit Card Fees	4,342
Insurance	84,882
Interest	331
Office Supplies	1,109
Donations	1,926
Telephone	4,525
Utilities	1,299
Other	12,021
Depreciation	121
Other Taxes	<u>63,705</u>
 TOTAL SUPPORTING SERVICES	<u>306,922</u>
 TOTAL FUNCTIONAL EXPENSES	 \$ <u>3,863,611</u>

The accompanying notes are an integral part of these financial statements.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2013</u>
Increase (Decrease) in Net Assets	\$ (349,428)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	121
(Increase) Decrease in Current Assets:	
Accounts Receivable	(9,175)
Increase (Decrease) in Current Liabilities:	
Accounts Payable	8,969
Corporate Taxes Payable	29,348
Other Current Liabilities	(649)
Payroll Taxes Payable	<u>(928)</u>
Net Cash Provided (Used) by Operating Activities	<u>(321,742)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Furniture & Equipment	<u>-0-</u>
Net Cash Provided (Used) by Investing Activities	<u>-0-</u>
Net Increase (Decrease) in Cash	(321,742)
Cash, Beginning of Year	<u>555,502</u>
Cash, End of Year	<u>\$ 233,760</u>

The accompanying notes are an integral part of these financial statements.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

A. The financial statements of the Gretna Economic Development Assn., Ltd. have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when earned rather than when received, and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The Organization has no capital stock.

B. Business Activity

The Gretna Economic Development Assn., Ltd. was established in 1992 as a nonprofit 501(c)(3) Organization for the purpose of improving the business climate within the City of Gretna, providing a vehicle to assist in the development of new businesses, promoting and encouraging tourism, and enhancing the knowledge of local residents and potential tourists of the City of Gretna. The Organization was also established to assist the underprivileged, to lessen the burdens of government, and to combat community deterioration.

C. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

D. Accounts Receivable

The Organization, in regards to uncollectible accounts, utilizes the direct write off method. Therefore, no allowance for doubtful accounts is utilized. Management believes this to be the most effective method for purposes of recording uncollectible accounts. There were no bad debts recorded for the year ended December 31, 2013.

E. Property and Equipment

Property and equipment are depreciated using the straight-line method over lives varying from 5 years to 10 years for equipment and 40 years for property and related improvements. Acquisitions of property and equipment in excess of \$200 and having a useful life of over one year are capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as structured by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

GRETN A ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS - continued
YEAR ENDED DECEMBER 31, 2013

F. Financial Statement Presentation

The financial statements have been prepared in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those statements.

2. LEASES

The Organization leases a facility for purposes of bingo sessions at a rate determined by the number of sessions. There is no formal written lease agreement.

3. CONTRIBUTED SERVICES

A number of unpaid volunteers have made contributions of their time to the Organization during the year. The value of this contributed time is not reflected in these statements since it is not material and is not susceptible to objective measurement or valuation.

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	<u>2013</u>
Sponsorships	\$ 42,200
Dues	<u>1,250</u>
	<u>\$ 43,450</u>

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS - continued
YEAR ENDED DECEMBER 31, 2013

5. PROPERTY AND EQUIPMENT

Property and equipment, and depreciation activity for the year ended December 31, 2013 are as follows:

	Balance 1-1-13	Additions	Deletions	Balance 12-31-13
Furniture & Fixtures	\$ 9,086	\$ -0-	\$ -0-	\$ 9,086
Equipment	1,633	-0-	-0-	1,633
	10,719	-0-	-0-	10,719
Less: Accumulated Depreciation	(10,495)	(121)	-0-	(10,616)
Net Property & Equipment	\$ 224	\$ (121)	\$ -0-	\$ 103

6. GRANT INCOME

The grant income for the year ended December 31, 2013 was comprised of the following:

City of Gretna	\$ 320,000
Jefferson Parish	299,000
Louisiana Office of Tourism	9,902
	<u>\$ 628,902</u>

7. ON-BEHALF PAYMENTS

On-behalf payments related to the festival's activities were primarily received from the City of Gretna for the use of shuttle buses, vans, and direct advertising which together totaled \$172,625 for the year ended December 31, 2013. In addition, the City of Gretna also provides the Organization with office space at no charge other than a fee of \$1 per year.

8. ECONOMIC DEPENDENCY

The Organization depends on the City of Gretna and Jefferson Parish for a major portion of its support.

9. INCOME TAXES

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, an information tax return, Form 990 for tax exempt organizations, is required to be filed each year. Corporate income tax is, however, required to be paid on the Form 990T filed annually by the Organization as a result of bingo pull tab profits.

10. TEMPORARILY RESTRICTED NET ASSETS

There were no temporarily restricted net assets held by the organization as of December 31, 2013.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
NOTES TO FINANCIAL STATEMENTS - continued
YEAR ENDED DECEMBER 31, 2013

11. THREATENED AND PENDING LITIGATION

The Gretna Economic Development Assn., Ltd. is not involved in any litigation, and is not aware of any claims outstanding of a material nature that are not recorded in the financial statements.

12. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of temporary cash investments and trade accounts receivables. The Organization maintains checking accounts at various financial institutions covered by FDIC insurance. There were no bank accounts at December 31, 2013 with balances that exceeded FDIC limitations of \$250,000.

13. COMPENSATED ABSENCES

Because the employees of the Gretna Economic Development Assn., Ltd. are currently not reimbursed for unused vacation and sick leave, no provision for compensated absences has been recorded in these financial statements.

14. POST-EMPLOYMENT BENEFITS

At present, there are no former employees of the Gretna Economic Development Assn., Ltd. who are receiving post-employment benefits, and any liability due to the Organization's benefit structure is considered to be immaterial.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Gretna Economic Development Assn., Ltd.
Gretna, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Gretna Economic Development Assn., Ltd. (a nonprofit organization), which comprise the statement of financial position as December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gretna Economic Development Assn., Ltd.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gretna Economic Development Assn., Ltd.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Gretna Economic Development Assn., Ltd.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. During our audit we identified a deficiency in internal control that we consider to be a material weakness which is disclosed in the accompanying schedule.

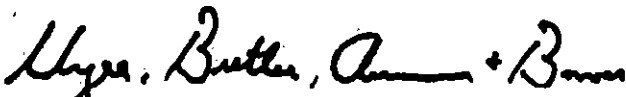
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gretna Economic Development Assn., Ltd.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance.

This report is intended solely for the information and use of management, the Board of Directors and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised Statute 25:513, this report is distributed by the Legislative Auditor as a public document.



Harvey, Louisiana
June 18, 2014

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
Gretna, Louisiana

Schedule of Current Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2013

<u>Ref No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (12/31/13)						
<u>Internal Control:</u>						
13-01	Unknown	The Gretna Economic Development Assn., Ltd. does not have adequate segregation of duties within the Organization's accounting functions.	N/A	None. Because of the cost of benefit, and limited number personnel performing the Organization's accounting functions, it is not possible to achieve adequate segregation of duties.	Anthony Buckley, III President	N/A
PRIOR YEAR (12/31/12)						
<u>Internal Control:</u>						
12-01	Unknown	The Gretna Economic Development Assn., Ltd. does not have adequate segregation of duties within the Organization's accounting functions.	N/A	None. Same as above.	Anthony Buckley, III President	N/A